

## Location

In this task I will give a clear explanation, in case of each chosen organisation (Tesco and Chester zoo), of the type of ownership, the nature of the owner's liability and the main reasons and the main reasons for the choice of location . The location of a business is very important as it will significantly the factors of the labour costs, premises costs, the local government charges, financial help, transport links, history and tradition, the sale techniques involved, and the type of labour skills.



Tesco have stores all over England as well as in many other different countries. Tesco have stores in city centres, retail parks, and small towns and in different areas. They are located in different areas, and approach each area differently, so that all their customers can access their services wherever they live. For example Tesco enter each area differently, depending on how large the area is, the population of the area, if it's a small town, or if it's the main city. For example Tesco Extra stores are large, mainly out-of-town hypermarkets that stock nearly all of Tesco's product ranges similar to Tesco superstores which are standard large supermarkets, stocking groceries and a much smaller range of non-food goods than Extra stores; they are referred to as "superstores" for convenience, but this word does not usually appear on the shops. Tesco Metro stores are sized between Tesco superstores and Tesco Express stores. They are mainly located in city centers, the inner city and on the high streets of small towns . Tesco Express stores are neighborhood convenience shops, stocking mainly food with an emphasis on higher-margin products (due to small store size, and the necessity to maximize revenue per square foot) alongside everyday essentials. They are found in busy city centre districts, small shopping precincts in residential areas and small towns. One Stop stores are the only category which does not include the word Tesco in its name. These are the very smallest stores. They were part of the T&S Stores business but, unlike many which have been converted to Tesco Express, these will keep their old name . One Stop's are located in mainly small towns, and small villages , mainly found in side streets and found in council estates.

The type of stores that Tesco situate in places solemnly depends on its location. For example if Tesco wanted to open up a store in a neighborhood convenience store, they would open up a Tesco Express, so that there customers can go in and get their everyday needs e.g. bread, milk, cornflakes, toothpaste and go home as quickly as possible. However if the customer is thinking about doing a large shopping like getting stocked up for a week, buy some electronic goods, or school clothes for their kids etc. they will have to go to have to go out of town to Tesco Extra which nearly stock all of Tesco's product ranges (Or if the customer lives in a main city , or wishes not

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to go out of the city they would go to Tesco Metro, which don't stock as much goods as Tesco Extra).

Tesco have set up an online store so that their customers can order their shopping from home, so not all of Tesco's customers walk through their doors to buy their products. The location for this service is not relevant as it runs through the internet, it can be accessed from anywhere in the world, but the location of the customers are relevant. The performance of Tesco online will be good as they are reaching out to the people who do not have a supermarket in their area. They have already made a point that they provide great service as they are the leading the way of online delivery, as they are the most used in online service, ahead of Asda and Sainsbury's. Tesco direct have many warehouses near the motorway so they can deliver their goods anywhere in the country. This is a very convenient service as customers that cannot physically go into one of their stores maybe because they are physically unable to (disabled) or maybe because they do not have the time to the shopping can still order their food and at the same time help Tesco make more money. But there are some conditions that apply to this service to use the Tesco online service the customer must first be a Tesco Club Card holder or in other words a member of Tesco, and to do so must be over 18. Also Tesco will add on an additional £2.00 for using this service which for most people isn't a problem.



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Halifax is quite a big town; Tesco is located outside the town centre on the edge which is near the town centre but not in the centre. Town superstores are located where it is easy for everyone to access. Tesco are always located near community's areas so families can access them easily. This will affect Tesco's performance because they will attract people, who live in heavily dense area to come and do their shopping there, and because it is very easy to access.

1. **Tesco** stores are located on the edges of large or medium sized towns or in the middle where quite a few towns meet for example in Halifax. Sometimes they are placed in between 3 or 4 communities so they can all benefit from it. One of the reasons why it isn't located in the town centre is one the tax charge will go through the roof, another reason is Tesco will want a large sized area with a large parking and storage place and in a town centre finding large space is very difficult and if they do find large place the tax rates will be enormous. Furthermore it is also cheaper to be located outside of town where land is cheaper than in a town centre and the tax rates are reasonably cheaper, therefore will make more money than in a town centre. The Tesco superstore is located near the Aachen way which is a dual carriage way so that the customers can drive to it easily.
2. **Tesco Express** stores are smaller than normal stores. The type of people who will go the Tesco express are the type of people who just want to go in and come back and do their everyday convenient shopping, not the people who will take their family along with them. Tesco express is the same as corner shops where people do their everyday shopping such as bread, milk, cornflakes and tea. It is ideal to have a Tesco Express in this area as it is not in competition with any other supermarkets, the closest superstore near it is Morrison's which is about 2-3 miles away. This type of store is appropriate for it to be in this specific area as it has no chance of being a Tesco express or metro because there is no place to expand. There are houses round every corner; basically it is located in the middle of a neighborhood with no room to expand. It is a typical place for a typical corner store. As this store is located around estates and a main road, Tesco express will attract people to come and do their everyday convenient shopping. If Tesco express stores were not located where they are they would not do their purpose in serving everyday essentials. If a Tesco Express was located near a Morrison's superstore they would not be successful as customers will go into Morrison's as they have more products to offer, and are not looking to buy just everyday essentials.
3. Tesco Metro is bigger than Tesco Express stores but is smaller than Tesco Superstores so it is in the middle. They serve the purpose of a small superstore. They are located in the city centers and high streets which is why they are smaller than Tesco superstores, they are mainly for people who live and work in the city. The stores performance will be successful as it is around people who live and work near it.
4. Tesco
5. **Tesco** is located in a rural area as it is located on hills, which is sparsely populated. But Tesco can have as much space as they want as they will have very little competition for land as Tesco is situated in a

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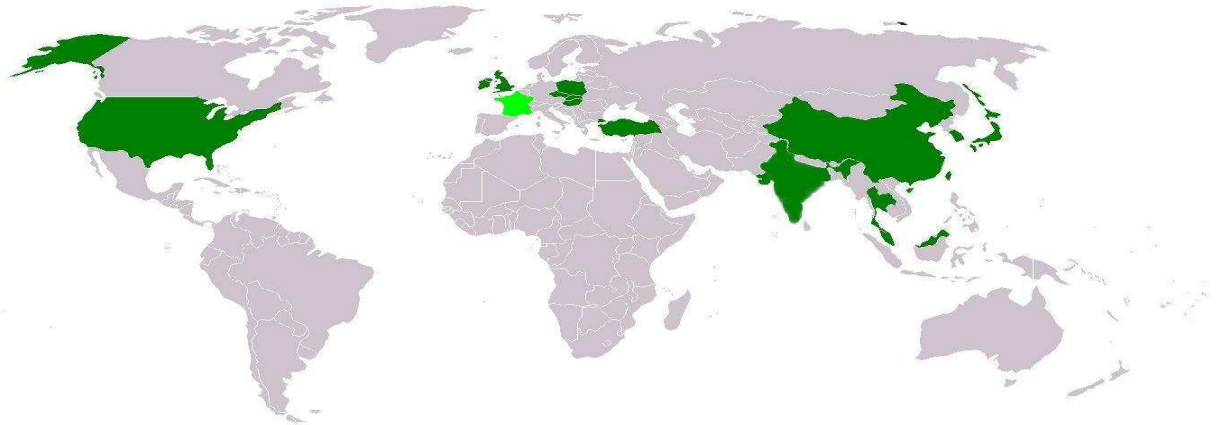
rural area; however Tesco will still attract customers as they have a very good reputation and have many communities situated around it.

6. Tesco Express
7. Tesco Express
8. **Tesco Extra** – Tesco Extra is a large superstore which is larger than the other Tesco stores, and which is likely to be found in sparsely populated areas like a motorway, also there is a petrol pump next to it so customers that are traveling on the motorway can fill up, this will also help Tesco make some money. Tesco extras are located in sparsely populated, because they sell the full range of Tesco goods not just food but clothes and electronics etc. So people will travel to it to do their heavy shopping's. Another reason why they need to be located in a sparsely populated area is that if they stock all of Tesco's products they need lots of space which isn't available in the middle of towns or cities. These stores are located near sparsely populated area so customers won't have any problems loading all their shopping and so that Tesco's huge delivery Trucks can also access there premises easily and have no problem unloading all the products whereas if they have to go into the city they would have no space to park and unload the goods or either there is no space or they are parked in a main road where you cannot stop moving.

The difference between store number 2 and store number 8 is that they both serve different purposes as Tesco Express serves the purpose of a corner shop and is located near neighbourhood's areas where people can get their daily essentials and don't have to walk far to get to it whereas Tesco Extra is located near motorways and sparsely populated areas as they sell all of Tesco product ranges and customers won't mind to drive to it to do their larger shopping. Also both these stores appeal to different customers as Tesco express would be for lower class people who can't afford to travel to bigger stores whereas Tesco extra would be for classes who can afford to travel and do larger shopping's.

## Tesco International

Tesco have expanded all over the world, so they can provide their service to other countries other than the British communities . Here is a map showing the countries that Tesco have entered:



Here is a list of the number of stores Tesco occupy in each country:

Country	Entered	Stores	Area (m <sup>2</sup> )	Area (sq ft)	Turnover (£ million)
People's Republic of China	2004	79	543,947	5,855,000	800
Czech Republic	1996	113	349,408	3,761,000	1,265
France	1992	1	1,400	16,000	
Hungary	1994	149	568,473	6,119,000	1,774
Republic of Ireland	1997	116	276,014	2,971,000	2,380
Indonesia	1977	192 (Closed 1999, Opened 2007)	234,46576	54654	
Japan	2003	144	40,877	440,000	408
Malaysia	2002	36	235,137	2,531,000	584
Poland	1995	319	698,910	7,523,000	1,135
Slovakia	1996	70	270,441	2,911,000	498
South Korea	1999	347	934,512	10,059,000	2,557
Thailand	1998	607	999,358	10,757,000	1,326
Turkey	2003	99	207,452	2,233,000	256
United States	2007	115	106,838 (est.)	1,150,000 (est.)	
<b>Total</b>		<b>2,195</b>	<b>5,232,767</b>	<b>56,326,000</b>	<b>10,528 (exc USA)</b>
Croatia	2010	1	under construction		

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By locating themselves in different countries they have achieved growth and survival. The countries for example Czech Republic they are offering the people of Czech Republic something new, as the customers are not used to buying all their products and everyday needs under one roof. The customers would have got their food from one store and their electronic appliances from another. However Tesco are offering everything in one store, so it saves the people time and money so it will appeal to customers to come and do all their shopping in one place, Tesco. There is a need for Tesco to diversify, so if Tesco get bankrupt in one area they still have stores in other areas to survive. So for example if Tesco get bankrupt in Indonesia, they still have other stores globally, like England and China that still make profit and help Tesco survive.

In England they have 200+ stores that cater for their customers in England, with England having a population of 60 million and make an annual turnover of 2 billion each year. However in China they have 79 stores and have made half the money they make from England. This is because China's population is booming with a population of 1.3 billion people for Tesco to cater for. The location that Tesco decide to move into is very important, because they have to decide if the country's economy is stable and how many people they have that they can cater for. For example England is suffering from the Global credit but however China is still going strong so people in China are willing to spend more than the British so they will make more money. So for example countries like England and America and other countries in the western world are suffering heavily. So Tesco have played it clever by moving into countries that are booming and are not so badly affected by the credit crunch like China and India so whilst they are doing bad with stores in the western side of the globe they are still making money which will help them to survive through hard times such as the credit crunch in the near future. So what Tesco are doing is making a foundation to survive through global disasters like the credit crunch. For example if Tesco didn't move into countries before the credit crunch happened they could have really been in a dangerous situation. They could have been one of the many brands that have been bankrupt and had to shut down. So by moving into countries that haven't been hit by the credit crunch globally Tesco have safeguarded themselves, so they won't be as badly affected by other brands so if they don't survive in countries hit by the credit crunch like England they will still survive on a global basis. Tesco choice of location is also developing countries in which the economy will continue to grow and might have the potential to become one of the world's richest like Malaysia, Turkey and South Korea. So as the countries grow they are also providing jobs with the local people, which will help poverty levels drop. By doing this Tesco will gain a good reputation as they are helping to get rid of poverty and this will also help Tesco to make more money as people will have more money to spend. This will also help Tesco to gain loyal people who will have positive aspect of Tesco, customers who will continue to come and do their shopping at Tesco who will then spread the word of how great Tesco are to friends and family which will also help Tesco make more money by attracting more and more customers. So Tesco performances will also be successful. Customers in India will go into Tesco stores because high tech and western scenarios isn't common in India so it will attract customers to



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come and do shopping, other than going to numerous stores to do their shopping.

## Fresh and Easy

Tesco have entered America with the name Fresh & Easy. Tesco is called Fresh and Easy because it has a catchy American tone that Americans can remember. They have changed their market because they have entered a new economy.

The leading market in America is Wall-Mart who followed the similar approach to enter England by the name of Asda. What Tesco are now trying to do to attract more customers is trying to sell products that wall -mart don't sell and sell what they do sell, so they have a chance to compete with them. Fresh and Easy stores employ local staff which will help its local economy. Fresh and Easy stores are located in areas where people live. Fresh and Easy stores are small stores that are easy to set up that's why there also called neighbourhood market.



- ❖ Labour Costs
- ❖ Premises Cost
- ❖ Local Government Charges
- ❖ Financial Help
- ❖ Transport links
- ❖ History and Tradition
- ❖ Sales Techniques
- ❖ Labour Skills



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## Chester Zoo

Chester zoo has also been in Chester it couldn't choose where to be located as it had been given to be a zoo. It is located near farms and near green land for animals to graze on and so it has room to expand. Chester zoo is located near the motorway so it is easy to enter: being in the centre of the UK is ideal for its performance because it is now the number 2 attraction of the UK. It is near a railway station which is only 2 miles away so people don't have to car it. It is also ne ar Manchester and Liverpool airport so if people want to fly in to go to Chester Zoo they can. This is an important factor as Chester Zoo is currently in the middle of a one of a kind £225 million project which will attract customers all around the world, so being located near two airports is ideal as their customers can fly straight in.

